

HOUSE BILL REPORT

SB 5330

As Reported by House Committee On:
Economic Development, Agriculture & Trade

Title: An act relating to economic development grants.

Brief Description: Creating the economic development grants program.

Sponsors: Senators Shin, Rasmussen, Berkey, McAuliffe and Kohl-Welles.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 3/29/05, 4/1/05 [DPA].

Brief Summary of Bill
(As Amended by House Committee)

- Creates the Economic Development Grants Program in the Department of Community, Trade and Economic Development.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: Do pass as amended. Signed by 12 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Blake, Chase, Clibborn, Grant, Kenney, Kilmer, McCoy, Morrell, Quall and Wallace.

Minority Report: Do not pass. Signed by 8 members: Representatives Kristiansen, Ranking Minority Member; Buri, Dunn, Haler, Holmquist, Kretz, Newhouse and Strow.

Staff: Tracey Taylor (786-7196).

Background:

As the state's lead agency on economic development, the Department of Community, Trade and Economic Development (DCTED) delivers a range of economic development-related services from assisting with complex permit processes to infrastructure and business financing to marketing the state as a desirable place to live, work and/or visit. Its clients range from local municipalities looking for assistance with planning and pre-development to economic development organizations and businesses needing help in business retention or expansion efforts. The DCTED's 2003-05 total operating budget for economic development programs is \$50 million.

There are numerous federal and private economic development assistance programs for which state agencies and local governments and organizations are eligible to apply. Examples include the federal Rural Business Enterprise Grant, Economic Development Administration Grants, and Kellogg Foundation Economic Development Grants, etc.

Currently, the DCTED does not have a systematic process for identifying and applying for economic development grants.

Summary of Amended Bill:

The Economic Development Grants program is created in the DCTED and must be staffed by at least one grant writer, who may be a permanent staff member or a contractor.

The Economic Development Grants program staff must regularly review the Federal Register for grant opportunities, research projects, and demonstration projects. In addition, the staff must stay abreast of private grant opportunities from foundations and businesses. The staff must correspond and meet with the appropriate people, including federal officials and foundation and business officials.

The Economic Development Grants program staff must keep agency directors and division heads apprised of opportunities for federal and private grant funds for economic development projects and assist state agencies in their grant-seeking efforts. The highest priority of the Economic Development Grants program shall be grant writing and grant writing assistance for projects sponsored or cosponsored by state agencies.

In order to increase the likelihood of success in grant seeking, the staff shall facilitate joint efforts between agencies and between agencies and local consortiums as well as garner political support necessary from federal and state elected officials.

The DCTED is required to submit to the appropriate legislative committees an annual list of grant applications submitted, grant awards received, and the total amount of grant funds received during the year. This list is due by December 1 each year.

Amended Bill Compared to Original Bill:

The amended bill adds the requirement that an annual list of grant applications submitted, grant awards received and the total amount of grant funds received be submitted to the appropriate legislative committees by December 1 each year.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Necessity is the mother of invention, and given the current budget conditions, we have to get creative in finding economic development funds for Washington. In order to successfully search out grant opportunities, we need expertise in not only grant seeking, but grant writing as well. The money we spend to hire or contract for a grant writer will be reaped many times over with the result of the program.

Testimony Against: None.

Persons Testifying: Senator Shin, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.